



PSC NEWS

Missouri Public Service Commission

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PSC DECIDES NOT TO APPROVE ELECTRIC TERRITORIAL AGREEMENT

JEFFERSON CITY—The Missouri Public Service Commission has decided not to approve an electric territorial agreement between The Empire District Electric Company and Ozark Electric Cooperative because of a waiver sought by Empire that would have allowed the electric company to provide installation or equipment at a price less than actual cost or value. The Commission's vote was 4-1.

The proposed territorial agreement sought to designate the boundaries of each electric supplier within two tracts of land in Greene and Christian County, just south of Republic, Missouri.

In addition, The Empire District Electric Company sought a waiver from its tariffs regarding installation costs for electric service and the cost of installing decorative street lighting for one specific subdivision (The Lakes at Shuyler Ridge Subdivision) located near Republic.

The Commission determined that the territorial agreement itself was reasonable and could be approved. However, the parties indicated an unwillingness to proceed with the territorial agreement if the waiver were not granted.

The Commission determined the proposed waiver constituted an undue preference for developers of a single subdivision.

"While the Commission recognizes the need for utilities to charge different classes of customer based on difference in types of services (for example, customers willing to accept interruptible service are usually given a lower rate) or differences in the utility's cost to provide service, there seems to be insufficient justification for giving a special rate to the developer of this single subdivision," said the Commission. "No evidence was provided to support the contention that it will be less costly to provide the proposed installation services to this particular development; on the contrary, it is a stipulated fact in this case that Empire's cost of installation will exceed the price charged to the developer."